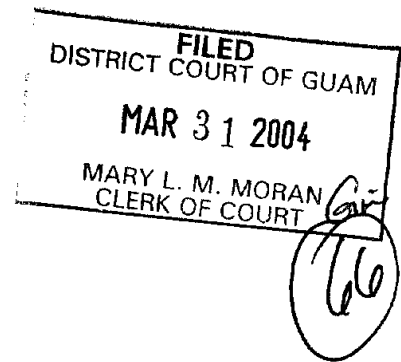


**LAW OFFICES OF BRONZE & TANG**

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*Attorneys for Defendant*  
*Hongkong and Shanghai Banking Corporation, Ltd.*

DISTRICT COURT OF GUAM

ALAN SADHWANI, LAJU  
SADHWANI, and K. SADHWANI'S  
INC., a Guam corporation,

Plaintiffs,

v.

HONGKONG AND SHANGHAI  
BANKING CORPORATION, LTD.,  
et al.,

Defendants.

CIVIL CASE NO. 03-00036

**DECLARATION OF JACQUES G.  
BRONZE IN SUPPORT OF MOTION  
TO STAY ALL DEPOSITIONS  
PENDING DETERMINATION OF  
ITS MOTION TO DISMISS**

**I, JACQUES G. BRONZE, hereby declare and state as follows:**

1. All matters herein are based on my own personal knowledge.
2. I am over 18 years of age, and legally competent to testify to the facts below and I do so based upon my own personal knowledge.
3. I am the counsel of record for Hongkong and Shanghai Banking Corporation, Ltd., ("HSBC"), in the above-entitled matter.
4. On or about October 21, 2003, Plaintiffs filed a Complaint asserting various lender liability claims against Hongkong and Shanghai Banking Corporation, Ltd. ("HSBC").

On December 30, 2003, pursuant to FRCP 12(b)(6), HSBC filed its Motion to Dismiss Plaintiffs' entire Complaint.

5. The Court took the matter under advisement, and to date, no decision has been issued. Although both parties have propounded interrogatories and requests to produce on each other, Plaintiffs now seek to depose various witnesses including former HSBC employee Lawrence Zhang, various officers of First Hawaiian Bank, Joseph K. Fang, as well as depositions of officers of HSBC, more specifically, Messrs. Fred Granillo and I.C. Underwood, whose depositions are scheduled for May 3 and May 5, 2004, respectively. In addition, Plaintiffs have just filed an *Ex Parte* Application for Letters of Request to depose two (2) other HSBC's officers in Hongkong. In total, Plaintiffs are intending to depose between five (5) to ten (10) potential witnesses.

6. In a letter dated March 23, 2004, to Plaintiffs' counsel, HSBC advised Plaintiffs that it reserved all its rights to conduct future depositions of the same witnesses should this Court rule in Plaintiffs' favor permitting Plaintiffs to file an Amended Complaint.

7. In response to HSBC's letter of March 23, 2004, Plaintiffs responded on March 26, 2004, by stating "[r]egarding HSBC's reservation of its 'right' to conduct future depositions of the same depositions depending upon the filing of an Amended Complaint, Plaintiffs dispute such a right exists." Attached as Exhibit "1," is a true and correct copy of Plaintiffs' March 26, 2004, letter.

8. A few months delay would not prejudice Plaintiffs since Plaintiffs' obligations under its loan owned by Paradise Marine Corporation is no greater than when HSBC owned the loan.

9. HSBC has in good faith attempted to workout a stipulation in an effort to resolve the dispute without court action, but such effort was unproductive, as is more fully shown by the

attached Exhibits "2" and "3." HSBC has advised Plaintiffs of the substance of the *Ex Parte* Application as more specifically delineated in the attached Exhibit "2."

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

**EXECUTED** this 31<sup>st</sup> day of March 2004.

  
\_\_\_\_\_  
JACQUES G. BRONZE

Law Offices

**Arriola, Cowan & Arriola**

Joaquin C. Arriola  
Mark E. Cowan  
Anita P. Arriola  
Joaquin C. Arriola, Jr.

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E-mail: [acalaw@netpci.com](mailto:acalaw@netpci.com)

Jacqueline T. Terlaje

March 26, 2004

**VIA FACSIMILE: (671) 647-7671**

Jacques G. Bronze, Esq.  
Bronze & Tang, P.C.  
2nd Floor, BankPacific Building  
825 S. Marine Drive  
Tamuning, Guam 96913

**Re: Sadhwani et al. v. Hongkong Shanghai Banking Corporation, Ltd., et.al,  
District Court of Guam, Civil Case No. CV03-00036**

Dear Jacques:

This is in response to your letter dated March 23, 2004.

I am available the afternoon of April 1 for Chris Felix's deposition, but I am not available April 2.

Regarding HSBC's reservation of its "right" to conduct future depositions of the same depositions depending upon the filing of an Amended Complaint, plaintiffs dispute that such a right exists.

Very truly yours,

  
ANITA P. ARRIOLA

**EXHIBIT**            /

LAW OFFICES  
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JACQUES G. BRONZE  
JERRY J. TANG

TELEPHONE: (671) 646-2001  
TELECOPIER: (671) 647-7671

March 29, 2004

**VIA: FACSIMILE**  
**(671) 477-9734**

CONFIRMED

Anita P. Arriola, Esq.  
ARRIOLA, COWAN & ARRIOLA  
Suite 201, C&A Professional Bldg.  
259 Martyr Street  
Hagåtña, Guam 96910

Re: Sadhwani, et al. v. HSBC, et al.; Civil Case No. 03-00036

Dear Anita:

Based on your letter dated March 26, 2004, objecting to HSBC's reservation of its right to conduct future depositions should your clients file an Amended Complaint and the fact that HSBC has filed a Motion to Dismiss your clients' entire Complaint, HSBC is left no choice, but to file an *Ex Parte* Motion to Stay Discovery, which shall be limited to the proposed depositions pursuant to FRCP 26(c). Notwithstanding the prejudice to HSBC based on your noted objection, it is a gross waste of resources to conduct depositions of witnesses which may not be necessary should the Court dismiss even a few counts of your clients' Complaint. It is HSBC's position that the costs and burdens of proceeding with the depositions are not outweighed by a delay of this case.

In order to comply with District Court Local Rule 7.1(j), please advise whether your clients would stipulate to stay of all depositions pending a ruling on HSBC's Motion to Dismiss.

If I fail to hear from you by 5:00 p.m. on Tuesday, March 30, 2004, I will assume that you will not agree to such Stipulation and I will proceed with filing my *Ex Parte* Application for the Court's consideration. Of course, I will provide you notice and copies of my application.

Please feel free to contact me if you have any questions regarding the above matter.

Best regards,

  
JACQUES G. BRONZE

cc: Mr. Chris Underwood  
JGB:tc  
D:\CLIENTS FILE\HSBC-Sadhwani\Ltrs\A. Arriola-Ltr.26.doc

EXHIBIT

2

LAW OFFICES  
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TELEPHONE No.: (671) 646-2001

FACSIMILE No.: (671) 647-7671

~ ~ **FACSIMILE TRANSMITTAL SHEET** ~ ~

Date: March 29, 2004  
To: Anita P. Arriola, Esq.  
Firm: ARRIOLA, COWAN & ARRIOLA  
Fax No: 477-9734  
From: Jacques G. Bronze, Esq.  
Subject: Sadhwani, et al. v. HSBC, et al.; Civil Case No. 03-00036

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**MESSAGE:**

PLEASE SEE ATTACHED DOCUMENT(S) IN CONNECTION WITH THE ABOVE-REFERENCED MATTER:

Letter of even date.

**Fax Sent By: Tony Camacho**

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816 SOUTH MAIN STREET  
TAMKING, GUAM 96913

TELEPHONE No.: (971) 546-3001

FAXPHONE No.: (971) 647-7671

## ~ ~ FACSIMILE TRANSMITTAL SHEET ~ ~

Date: March 29, 2004  
To: Anita P. Arriola, Esq.  
Firm: ARRIOLA, COWAN & ARRIOLA  
Fax No: 477-9734  
From: Jacques G. Bronze, Esq.  
Subject: Sudhewani, et al. v. HSBC, et al.; Civil Case No. 03-00036

Sending 2 page(s) including cover sheet.

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Regular Mail: \_\_\_\_\_ Other: \_\_\_\_\_

### MESSAGE:

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RE: Resend  
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PD: Polled by Remote  
PG: Polling a Remote  
DR: Document Removed  
FO: Forced Output

MB: Receive to Mailbox  
PI: Power Interruption  
TM: Terminated by user  
WT: Waiting Transfer

EXHIBIT 2

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Telecopier: (671) 477-9734  
E-mail: acalaw@nclpci.com

~  
Jacqueline T. Terlaje

March 30, 2004

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Jacques G. Bronze, Esq.  
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2nd Floor, BankPacific Building  
825 S. Marine Drive  
Tamuning, Guam 96913

**Re: Sadhwani et al. v. Hongkong Shanghai Banking Corporation, Ltd., et.al.  
District Court of Guam, Civil Case No. CV03-00036**

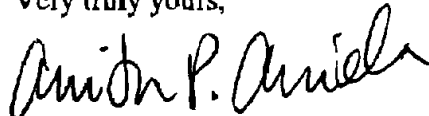
Dear Jacques:

This is in response to your letter of March 29, 2004.

Your letter is extremely vague and unclear. You state that HSBC has no choice but to file an Ex Parte Motion to Stay Discovery, "which shall be limited to the *proposed* depositions pursuant to FRCP 26(c)." (Emphasis added) Does this mean that any stay of discovery will not apply to depositions not yet proposed by either party? Or does it mean that the stay of discovery will apply only to depositions and not to other forms of discovery?

Notwithstanding the ambiguity of your proposed motion for stay of discovery, please be informed that my clients will not stipulate to a stay of discovery pending a ruling on HSBC's motion to dismiss. Please provide me with copies of your ex parte application as soon as possible.

Very truly yours,

**ANITA P. ARRIOLA****EXHIBIT**3